

11/18/2016 9:48:48 AM  
16CV38474

IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF MULTNOMAH

**PROVIDENCE HEALTH & SERVICES-OREGON**, an Oregon nonprofit corporation, dba Providence Portland Medical Center,

Plaintiff,

vs.

**SANJANA PAHALAD MANCUSO**, personal representative of the Estate of Rattan Kumar Pahalad, in her official and personal capacities,

Defendant.

Case No.

**COMPLAINT**

(Breach of Contract; Improper Denial of Claim Against Estate)

**CLAIMS NOT SUBJECT TO MANDATORY ARBITRATION**

Claim Amount: \$435,502.17  
ORS 21.160(1)(c) Filing Fee: \$531.00

Providence Health & Services–Oregon (“PH&S-O”) makes the following claim for relief pursuant to ORS 115.145(1)(b) against Sanjana Pahalad Mancuso (“Mancuso”), who is acting as the Personal Representative in the proceeding *Matter of the Estate of Rattan Kumar Pahalad*, No. 16PB03421 (Multnomah County) (“the Probate Proceeding”).

1.

Plaintiff PH&S-O is an Oregon nonprofit corporation which provides health services to patients, among other facilities through the Providence Portland Medical Center (“PPMC”).

2.

Defendant Sanjana Pahalad Mancuso is a resident of Multnomah County and the daughter of Rattan Kumar Pahalad (“Pahalad”). By order of this Court in the Probate

1 Proceeding dated June 7, 2016, Mancuso was appointed to be the personal representative  
2 of Pahalad's estate and assumed the fiduciary duties of that office.

3 3.

4 Rattan Kumar Pahalad was a resident of Multnomah County, and was admitted on  
5 March 23, 2016, to PPMC for inpatient treatment. Pahalad died on April 4, 2016.

6 4.

7 Upon admission to PPMC, Pahalad signed the Conditions of Admission document  
8 attached to this complaint as Exhibit 1 and incorporated by reference ("the Agreement"),  
9 which included an agreement by Pahalad to pay any costs of treatment which were not  
10 covered by other sources. In particular, the agreement read in relevant part as follows:

11 I understand and accept: PH&S will bill the Charge Master rates in effect  
12 when services are provided; I may request a price estimate for such  
13 services; I agree to pay for such services; and I acknowledge and accept  
14 my personal responsibility for payment in full for billed charges even  
15 where PH&S has been assigned benefits from governmental programs and  
16 insurance companies. I acknowledge failure to meet my financial  
17 obligations to PH&S will result in the referral of account(s) to professional  
collection agencies and consent to PH&S or its designees obtaining a copy  
of my credit report or any other publicly available data related to my  
ability to pay. ... In the event of any dispute regarding payment, I agree  
to pay all collection costs and attorneys' fees whether or not a case is filed  
in court. ...

18 (Exhibit 1 ¶ 9 at 2-3 (emphasis added)).

19 5.

20 After admission and prior to Pahalad's death, Pahalad incurred an obligation for  
21 the medical services provided him, at PPMC's Charge Master rates in effect when the  
22 services were provided, totaling \$740,263. The administrator for Pahalad's health plan,  
23 Group Pension Administrators, Inc. ("GPA"), made partial payments on the account of  
24 \$97,066.94 and \$207,694.35, but refused to pay the balance. On information and belief,  
25 although notified of her right on behalf of Pahalad to appeal GPA's arbitrary  
26 underpayment, Mancuso declined to file such an appeal. The balance for services  
provided to Pahalad and payable to PH&S-O under the Agreement, therefore, is

1 \$435,502.17 (“the Obligation”).

2 6.

3 PH&S-O timely made claim for the Obligation in the Probate Proceeding on or  
4 about August 25, 2016 (“the Claim”). Mancuso, through counsel, on September 8, 2016,  
5 made demand under ORS 115.045 for written evidence supporting the claim. Materials  
6 supporting the Claim were duly provided to Mancuso on October 12, 2016.

7 7.

8 On October 24, 2016, Mancuso denied the Claim under the document attached to  
9 this complaint as Exhibit 2, falsely contending that “neither the decedent nor the estate  
10 ever agreed to pay” PH&S-O’s Charge Master rates and falsely contending that Pahalad  
11 should have been entitled to be paid by reference to Medicare rates. On the contrary, the  
12 rates to which Pahalad agreed were the rates reflected in the Obligation and in the Claim.

13 **FIRST CLAIM FOR RELIEF**  
14 **(Breach of Contract)**

15 8.

16 PH&S-O incorporates by reference the allegations of paragraphs 1 through 7.

17 9.

18 The Agreement is a valid contract, enforceable against Pahalad and against  
19 Pahalad’s estate. Mancuso breached that contract by refusing to pay PH&S-O at the  
20 Charge Master rates provided in the Agreement. PH&S-O has therefore been damaged in  
21 the amount of \$435,502.17.

22 **SECOND CLAIM FOR RELIEF**  
23 **(Wrongful Denial of Probate Claim - ORS 115.145)**

24 10.

25 PH&S-O incorporates by reference the allegations of paragraphs 1 through 9.

26 11.

As personal representative of Pahalad’s estate, Mancuso is obligated as a

1 fiduciary to preserve, settle, and distribute the estate in accordance with law. As a  
 2 fiduciary, Mancuso is obligated to perform valid contracts made by Pahalad to the extent  
 3 of the assets of the estate.

4 12.

5 Mancuso's arbitrary denial of the Claim constituted a breach of her fiduciary duty  
 6 under ORS 114.395, for which Mancuso is personally liable to PH&S-O to the extent that  
 7 PH&S-O is or may be damaged by that breach.

8 **PRAYER FOR RELIEF**

9 PH&S-O therefore asks that this Court:

10 1. Enter judgment in favor of PH&S-O and against Mancuso, as personal  
 11 representative of the Estate of Rattan Kumar Pahalad, in the amount of \$435,502.17;

12 2. In the alternative, to the extent that Mancuso's breach of fiduciary should be  
 13 shown to have caused damage to PH&S-O that is recoverable under ORS 114.395, enter  
 14 judgment in favor of PH&S-O and against Mancuso personally for such breach;

15 3. Enter judgment against Mancuso for PH&S-O's costs and reasonable attorney  
 16 fees; and

17 4. Award such other and further relief as may be just and equitable.

18 DATED this 18th day of November, 2016.

19 HARRANG LONG GARY RUDNICK P.C.

20  
 21 By: s/Arden J. Olson  
 22 Arden J. Olson, OSB #870704  
 23 arden.j.olson@harrang.com  
 24 Lorelei Craig, OSB #152515  
 25 lorelei.craig@harrang.com  
 26 Telephone: 541-485-0220  
 Facsimile: 541-686-6564  
 Of Attorneys for Plaintiff

Trial Attorney: Arden J. Olson



## CONDITIONS OF ADMISSION - ENGLISH

**Patient Name:** *Pahalad, Rattan Kumar*  
**Patient Date of Birth:** *7/25/1956*  
**Date:** *3/23/2016*

### 1. CONSENT FOR SERVICE

I acknowledge my attending physician is responsible for directing my care and has advised me of the need for services such as nursing care, diagnostic tests, anesthesia, medical or surgical treatments, disposal of removed tissue, services for any newborn if appropriate, and any other necessary medical service. By signing below I give my consent to all such services instructed by my attending physician, his/her assistants or designees. I understand my physician may order an operation or procedure, and give my consent after receiving adequate advice as to the benefits and risks of such operation or procedure. In the event a healthcare worker is exposed to my blood or body fluid in a manner posing a risk for transmission of a blood-borne infection, I give my consent to be tested for infections such as HIV, Hepatitis B and Hepatitis C at no cost to me, so the healthcare worker may be treated promptly. In such situations, I authorize release of applicable information to the healthcare worker and his/her healthcare provider.

### 2. USE AND DISCLOSURE OF INFORMATION

I have received and read the "Notice of Privacy Practices" and authorize Providence Health and Services (PH&S) to use and disclose information about me and my health to diagnose and treat me, to obtain payment for my care and for PH&S business operations.

### 3. PH&S TEACHING FACILITIES

I acknowledge PH&S has teaching facilities, and consent to supervised residents and students being involved with my care. I acknowledge I may refuse care by a resident or student at any time, and that such refusal will not result in any reduction of the quality of care provided.

### 4. NURSING CARE

I acknowledge PH&S offsite hospital facilities do not provide general duty nursing care and release PH&S from all liability for special duty services that may be arranged by me/my legal representative.

### 5. HEALTH PLAN OBLIGATION

I acknowledge I am individually obligated to pay the full charges of all services rendered to me by PH&S if I belong to a health plan that does not have a contract with PH&S at the time services are provided.

### 6. ASSIGNMENT OF BENEFITS/RELEASE OF INFORMATION

**Medicare / Medicaid and Other Government Programs:** I authorize PH&S to receive direct payments for any benefits to which I may be eligible under Medicare, Medicaid or any other government program, and authorize PH&S to release relevant information about me and my healthcare necessary to receive payment under the applicable government program(s). I understand and accept my responsibility to pay any deductible and/or co-insurance under such program(s).

**Medicare Notice:** I understand I may receive a bill from PH&S for self-administered drugs not covered by Medicare Part A, B and C, and may request an itemized statement containing the national drug codes necessary for me to bill my Part D carrier.

**Insurance:** I consent to assign to PH&S all insurance company coverage benefits to which I am entitled for services rendered by PH&S, and authorize PH&S to release relevant information about me and my healthcare to receive such payment. I understand and accept I am responsible for paying any co-payments and/or deductibles required under my insurance plan(s).

## 7. RIGHT TO REVOKE CONSENT

I acknowledge I have the right to revoke consent to treatment at any time effective immediately, and may also revoke authorization for the release of information about me and my healthcare to relevant government programs and insurance company(s). I understand and accept such revocation must be in writing and is effective only when it is received by the Medical Record Department at PH&S. I understand and accept if my revocation results in denial of payment to PH&S, I am responsible to pay for the care provided by PH&S.

## 8. FINANCIAL ASSISTANCE at PROVIDENCE

In keeping with our mission and core values, Providence Health & Services cares for people and their health needs regardless of their ability to pay. We are committed to working with our patients through any financial issues, including finding ways to make medical care more affordable. Providence's hospitals offer financial assistance to eligible patients who do not have the financial ability to pay for their medical bills. If you are having trouble paying for all or some of your health care, we encourage you to talk with a Providence Financial Counselor or someone in our business office about how we can help you.

**What Is Covered?** For emergency and medically necessary services at Providence hospitals we provide financial assistance to eligible patients on a sliding fee scale basis, with discounts ranging from 75% to 100% based on ability to pay. Financial assistance for other services or at our non-hospital facilities is governed by the policies of the Providence entity providing the care.

**How to Apply?** Any patient may apply to receive financial assistance. A patient seeking financial assistance must provide supporting documentation specified in the application, unless Providence indicates otherwise. The application form may be obtained online, by telephone, or from the website or email address noted below.

### **Other Assistance:**

**Coverage assistance:** If you are without health insurance, you may be eligible for other government and community programs. We can help you discover whether these programs (including Medicaid and Veterans Affairs benefits) can help cover your medical bills. We also can help you apply for these programs.

**Uninsured Discounts:** Providence offers a discount for patients who may not have health insurance coverage. Please contact us about our discount program.

**Payment plans:** After your insurance company processes the bill, any balance for amounts owed by you is due within thirty days. The balance can be paid in any of the following ways: automatic credit card, payment plan, cash, check, online bill pay or credit card. If you need a payment plan, please call the number on your billing statement to make arrangements.

**Emergency Care:** Providence hospitals with dedicated emergency departments provide care for emergency medical conditions (as defined by the Emergency Medical Treatment and Labor Act) without discrimination consistent with available capabilities, without regard to whether or not a patient has the ability to pay or is eligible for financial assistance.

### **Contact Us for Financial Assistance Help or Applications**

For more information about getting help with your Providence medical bills, please call or visit a financial counselor or billing office at your local Providence facility. We can give you any forms you need and can help you apply for assistance. Patients are strongly encouraged to ask for financial help before receiving medical treatment, if possible. Patients can also apply at any time while receiving treatment and for a period of time following receipt of your initial bill. If you have questions or would like to receive a financial assistance application form, please contact below:

By telephone: 1-866-747-2455

On our website at: [www.providence.org](http://www.providence.org)

## 9. FINANCIAL RESPONSIBILITY



I understand and accept: PH&S will bill the Charge Master rates in effect when services are provided; I may request a price estimate for such services; I agree to pay for such services; and I acknowledge and accept my personal responsibility for payment in full for billed charges even where PH&S has been assigned benefits from government programs and insurance companies. I acknowledge failure to meet my financial obligations to PH&S will result in the referral of account(s) to professional collection agencies and consent to PH&S or its designees obtaining a copy of my credit report or any other publicly available data related to my ability to pay. I understand that PH&S, its affiliates, agents or designees may contact me using pre-recorded/artificial voice messages and/or automatic dialing services at any telephone number I provide to PH&S. In the event of any dispute regarding payment, I agree to pay all collection costs and attorneys' fees whether or not a case is filed in court. I understand I may receive separate bills from PH&S and/or from treating physicians such as radiologists, pathologists, anesthesiologists and emergency room physicians, and accept my responsibility to pay these in accordance with the payment terms set by those providers. If I am entitled to any personal injury settlement, judgment or other payment I agree to take any and all actions to assign or have paid to PH&S balances owed by me.

#### **10. PERSONAL BELONGINGS AND VALUABLES**

I agree that PH&S is not responsible for my personal belongings and valuables brought into a PH&S facility, and agree to send such items home with my family or other responsible party if possible. I accept full responsibility and hold PH&S harmless for any loss, theft or damage for personal belongings or valuables retained at a PH&S facility.

#### **11. SAFE ENVIRONMENT**

I acknowledge that weapons or other dangerous objects, illegal drugs and medications not prescribed by my healthcare provider are not permitted on PH&S premises, and accept the rights of PH&S to search individuals and rooms upon reasonable cause and to confiscate any such items.

#### **12. PHOTOGRAPHS**

I agree to allow PH&S to take, reproduce and use photos, video tape, video monitoring / recording, or audio recording for the purpose of diagnosis, testing, medical evaluation, care or treatment (including invasive procedures), patient safety or medical education, and to preserve clinical information. I understand that this material may be treated as a part of my medical record and that PH&S privacy policies apply.

#### **13. PATIENT RIGHTS AND RESPONSIBILITIES**

I acknowledge that I have received and read the "Patient Rights and Responsibilities" notice provided by PH&S

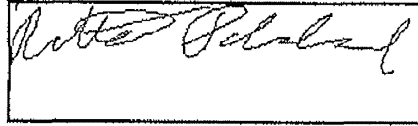
#### **14. NONDISCRIMINATION POLICY**

I acknowledge PH&S prohibits discrimination based on age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, and gender identity or expression.

#### **AUTHORIZATION FOR TREATMENT AND FINANCIAL RESPONSIBILITY STATEMENT**

By signing this document, I certify that I am of lawful age and legally competent. I accept and agree to be legally bound by the terms and conditions contained herein.

**Patient/Personal Representative Signature:**

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Robert J. Schaefer" written in a cursive style.

**Date/Time Signed:** 3/23/2016 12:12:31 PM

\*\*\*\*\*

**Providence Health & Services** includes our hospitals, clinics, outpatient services, home and community services, retail pharmacies, and skilled nursing facilities.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF MULTNOMAH  
Probate Department

In the Matter of the	Case No.: 16PB03421
Estate of Rattan Kumar Pahalad	NOTICE OF DISALLOWANCE OF CLAIM
Deceased	

To: Providence Health & Services-Oregon

Your \$435,502.17 claim against the estate, filed on August 25, 2016 has been disallowed because Providence Health & Services – Oregon has already been paid fully and properly for the goods and services it provided to the decedent between March 23, 2016, and April 4, 2016. Through your claim, you seek to collect excessive, unreasonable charges that neither the decedent nor the estate ever agreed to pay. As you admitted, Providence has already been paid \$304,761.29 for these goods and services. Medicare would have paid and Providence would have accepted just \$184,179.25 for the same goods and services. Thus, Providence has already been paid 165% of the amount routinely paid and accepted for these services. In 2015, Providence collected only about half of its total charges. Accordingly, to Providence's self-reported cost-to-

NOTICE OF DISALLOWANCE OF CLAIM

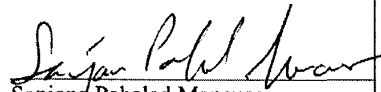
Thatcher Smith Law, LLC – 312 NW 10<sup>th</sup> Ave #200B, Portland Oregon 97209 – 971-284-7129

1

1  
2  
3 charge ratios, the charges it seeks to collect from the estate are nearly three times its fully  
4 allocated costs to provide the goods and services to the decedent. Providence's charges are  
5 grossly in excess of both the amounts typically paid for such goods and services and the costs  
6 incurred to provide them. The estate is not liable to pay such excessive, unreasonable charges.  
7 Providence has already been paid properly for the goods and services provided to the decedent.

8  
9 A copy of this notice, with proof of service by mail will be filed in the above-entitled  
10 proceeding. Your claim will be barred unless within 30 days after the date of mailing or delivery  
11 of this notice you file in this proceeding a request for summary determination of your claim, with  
12 proof of service as provided by ORS 115.145, or commence an action against the personal  
13 representative on the claim in a court of competent jurisdiction.

14 DATED: Oct 21, 2016

15  
16   
17 Sanjana Pahalad Mancuso  
18 Personal Representative

19 PERSONAL REPRESENTATIVE  
20 Sanjana Pahalad Mancuso  
21 7070 N. Hayden Island Drive Unit 423  
22 Portland, OR 97217

23 ATTORNEY FOR PETITIONER  
24 Maret Thatcher Smith  
25 312 NW 10<sup>th</sup> Ave. #200B  
26 Portland, OR 97209  
27 Ph: 971-284-7129  
28 maret@thatchersmithlaw.com  
OSB # 105103

NOTICE OF DISALLOWANCE OF CLAIM

Thatcher Smith Law, LLC – 312 NW 10<sup>th</sup> Ave #200B, Portland Oregon 97209 – 971-284-7129

2